



BWX Technologies, Inc.

a McDermott company

BWXT Services, Inc.

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2001-014-16

April 27, 2001

General Services Administration, FAR Secretariat (MVP)
1800 F. St., N.W., Room 4035
Washington, D.C. 20405

Attn: Laurie Duarte

Reference: FAR case 2001-014

BWX Technologies would like to be added to the growing number of contractors in support of FAR CASE 2001-014 Contractor Responsibility, Labor Relations Cost, and Costs Relating to Legal and Other Proceedings – Revocation. We believe that revoking of the original rule dated December 20, 2000 is in the best interest of the Government and its Contractors. In our opinion, the expected benefits of the Contractor Responsibility Rule are far outweighed by the increased cost and administrative burdens imposed.

Specific areas that will make the Contractor Responsibility Rule bad procurement law include the following;

1. Increased bid protests and legal challenges as competing contractors try to implement the rule;
2. Reduced competition as many smaller companies may choose to avoid the costs of implementing the rule;
3. Additional punitive sanctions affecting companies, their employees and the communities they live in.
4. The rule could be used by special interest groups, such as unions, anti-business activists, disgruntled employees, and business competitors as a threat or leverage to obtain their objectives;
5. The contracting officers may not have sufficient training or expertise to adequately take into account the severity, number, intent or status of appeal of any presumed violations before blacklisting a contractor;
6. The rule arbitrarily links certain unrelated business activity to the ability of the contractor to perform a federal contract;
7. The certification provision is a deterrent to commercial firms entering the federal market;
8. The Rule allows COs to deny federal contracts without affording contractors sufficient procedural due process protections;

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9. The impracticality and high cost of designing, installing, and maintaining an integrated system to track (in real-time) activities prohibited by the Rule;
10. The difficulty of identifying which violations require certification, given the vagueness of the categories of laws cited in the Rule (e.g., consumer protection laws);
11. The deterrent effect, in particular on small businesses and commercial companies, of (a) installing a system capable of supporting the necessary certifications, and (b) the increased potential for liability under False Statements Act and similar laws; and
12. The cost and uncertainty associated with accounting properly for the cost allowability issues raised by the Rule.

Sincerely,



Larry D. Vaughan, CPCM, PH.D.

Director, Government Contract Administration & Compliance

BWX Technologies

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